



**Luzerner  
Kantonalbank**

# LUKB strategy 2026 - 2030

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CEO

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# Agenda

➤ LUKB25 strategy successfully implemented

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➤ LUKB30: exploiting full potential

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➤ Deep dive: diversifying income

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➤ LUKB as an investment

# **LUKB25 strategy successfully implemented**



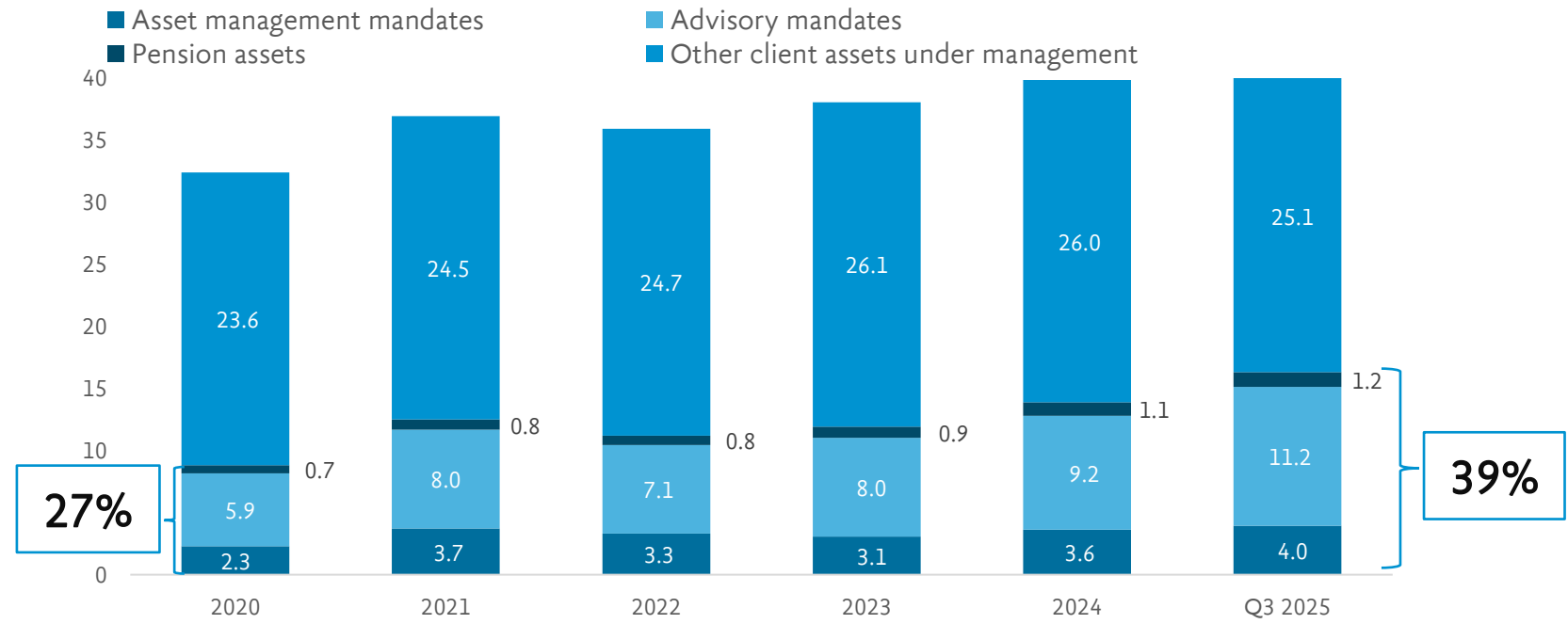
# Long-term growth in client assets

CHF 40 billion in client assets under management reached by Q3 2025.

Share of business volumes in asset management, advisory and pension mandates increased to 39% (as at Q3 2025).

## Development of client assets

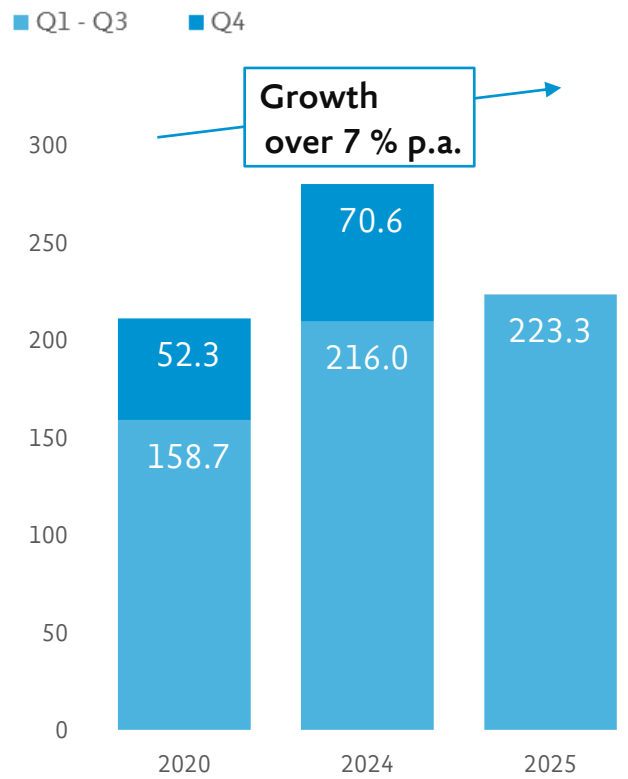
(in CHF billion)  
(excluding gain on disposal of investment in Fundamenta in 2024)



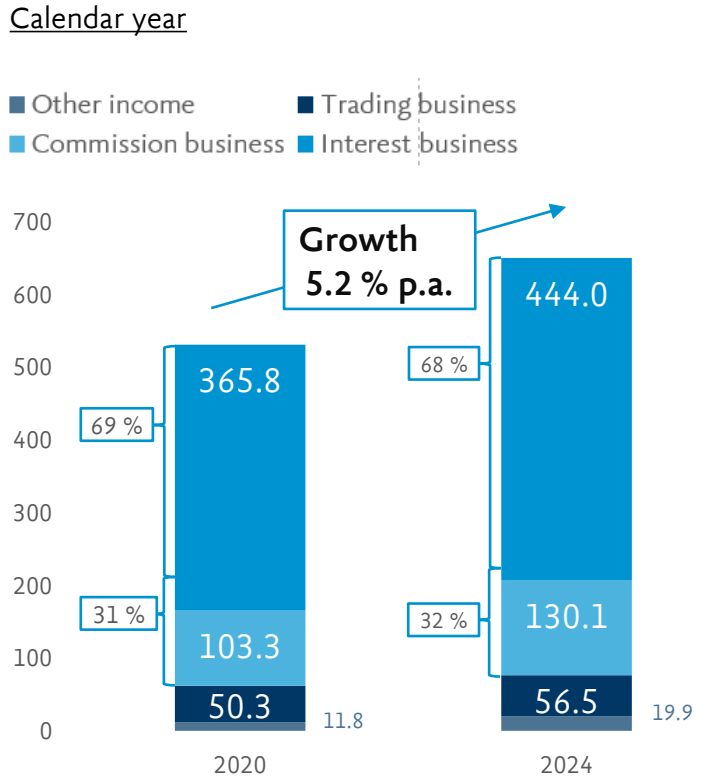
**➔ Significant potential for growth in mandates with existing clients**

# Consistently positive profit growth thanks to continuous increase in income

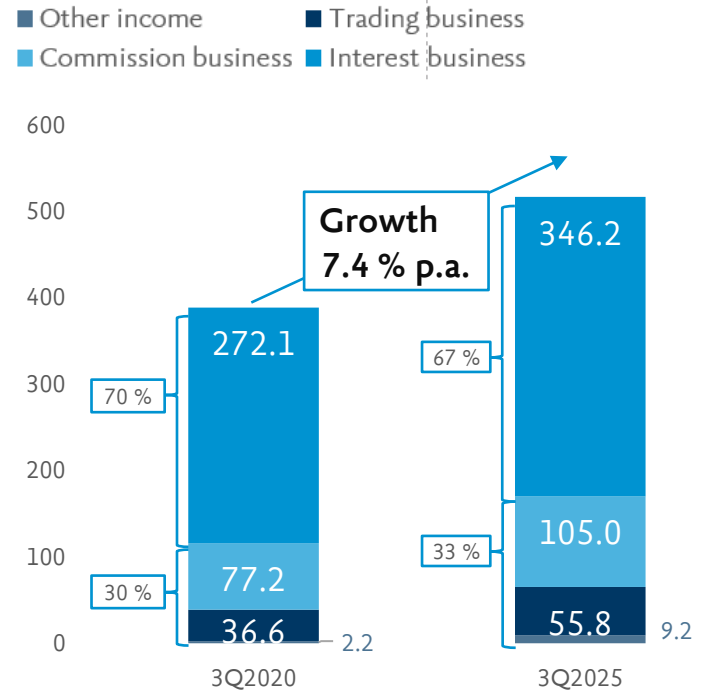
### Consolidated profit (in CHF million)



### Operating income according to income component (in CHF million)

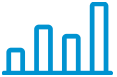









Q1 to Q3



**➔ In 2025, one third of income comes from non-interest business.**

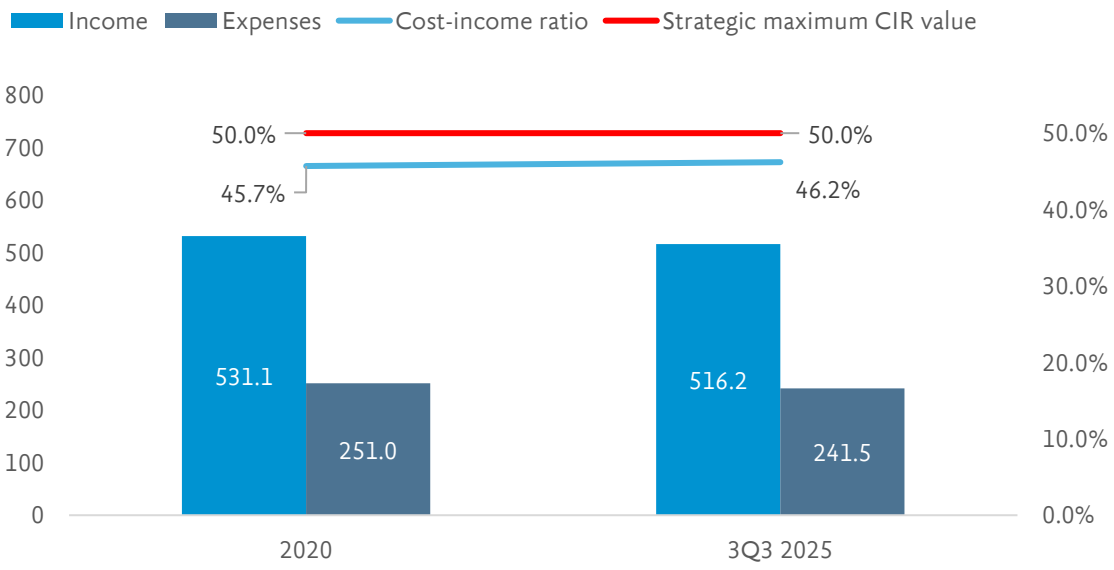
# Targets for the current strategy period within reach

Key financial figures	unit	target 2021-2025	status by 30.09.2025	target achievement Q3/25
 <b>Cumulated profit<sup>1</sup></b>	CHF MM	1'260 - 1'330	<b>1'298</b>	
 <b>Cost-income-ratio</b>	%	< 50 %	<b>46.2 %</b>	
 <b>Total capital ratio<sup>2</sup></b>	%	16 % - 20 %	<b>20.2 %</b>	
 <b>CET1-ratio<sup>2</sup></b>	%	> 12 %	<b>14.3 %</b>	

# High efficiency of business activities with a rock-solid balance sheet

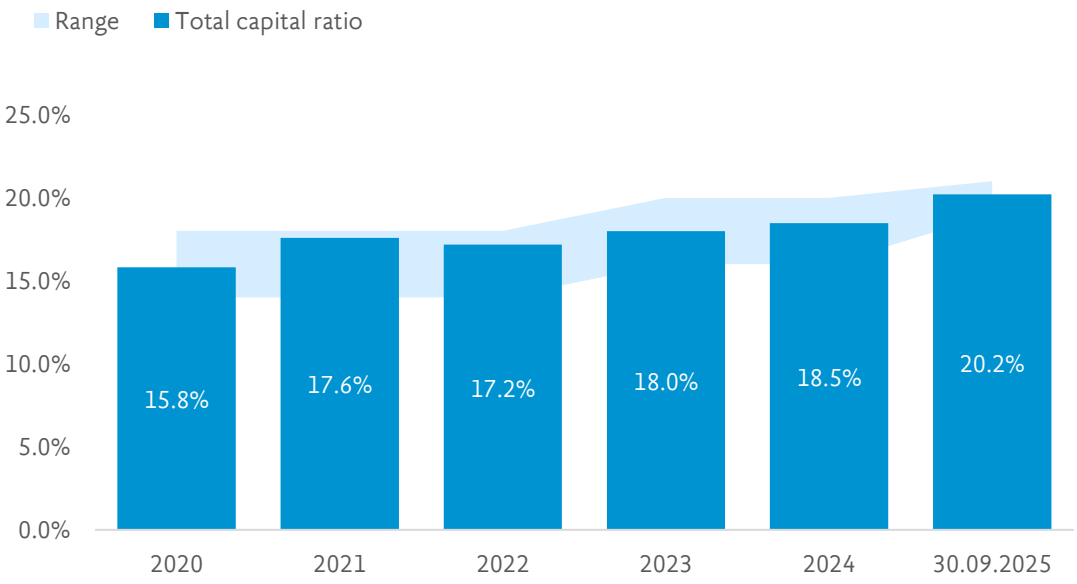
LUKB is one of the most efficient full-service banks in Switzerland.

**Operating expenses and income in relation to cost-income ratio**  
(indexed, expenses = 100%)  
(in CHF million)



LUKB has significantly strengthened its total capital base.

**Development of total capital ratio**  
(in %)



**➔ The course has been set for the upcoming strategy period. The aim is to expand the non-interest business and achieve growth with a lower additional capital adequacy requirement.**

# More than CHF 50 million invested in strategic growth and efficiency

## Selected projects 2021-2025



**CHF ~50 million**

invested in strategy  
implementation since 2021



**47 projects**

within 7 strategic  
initiatives implemented

- Harmonised hybrid advisory process
- Redesign of asset management mandates
- Launch of Fluks digital pension solution
- Further development of trading activities (bond issuance, structured products, digital assets)
- Introduction of digital credit process
- Development of data and analytics platform

# Examples: higher cross-selling thanks to hybrid client advisory process – increased efficiency thanks to the bank's digitised core process



## Direct client access

### Hybrid advisory process

Tool-based, holistic advisory process for all client segments:

- 65,000 consultations have been held since May 2023.
- 93% of consultations have tool support.
- Increasing to three consulting topics per session improves cross-selling.



## Technology and data know-how

### Digitised credit application process

Risk-based, modular credit application process for commercial financing:

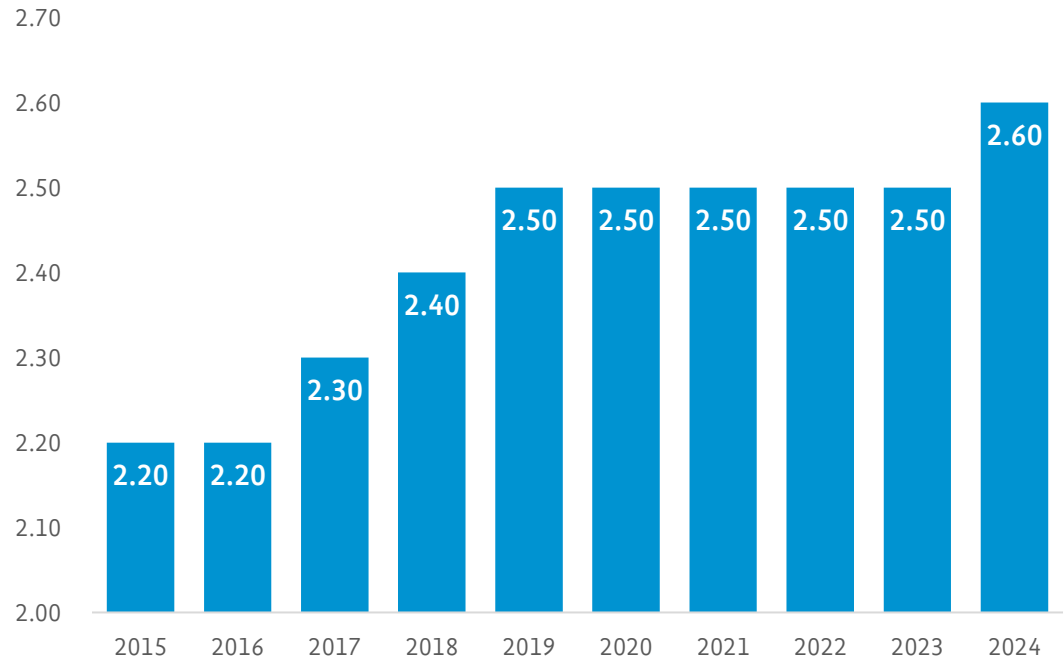
- Efficiency gain of around 50% in the risk analysis of 3,000 commercial credit applications per year
- Integration within the digital client advisory cockpit
- In-house development at LUKB, unique and leading in the Swiss banking landscape

# Reliable dividend policy with a continual increase

Reliable dividend payments and a continual increase in distribution

Payout ratio at around 44%  
(on average over the past five years)

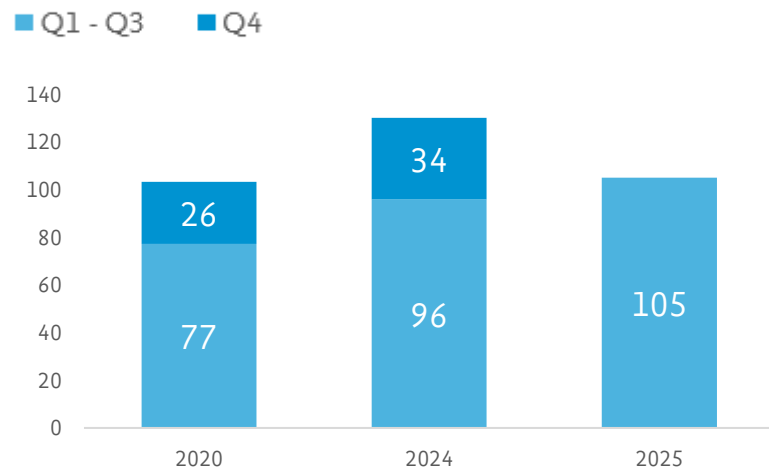
**Dividend per share**  
(in CHF)



Note: 2023 share split factored in at a ratio of 1:5 in previous-year figures

# Significant increase in income components from non-interest business

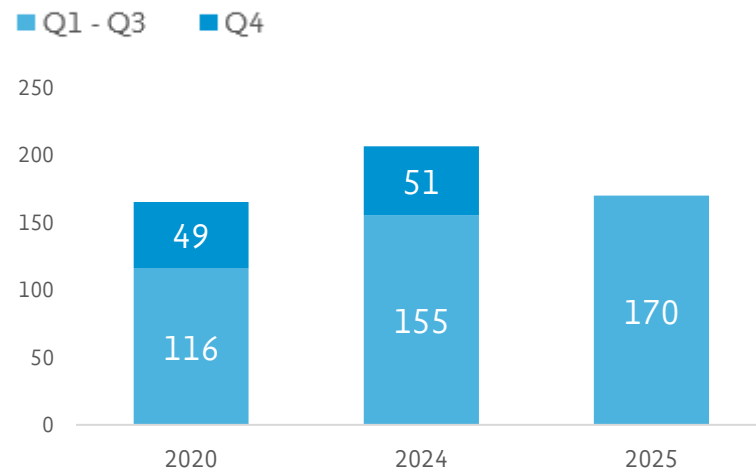
### Net income from commission and service business (in CHF million)



#### Income increased in all lines of business ...

- Increase in non-interest income by Ø 6.5% p.a., in particular due to an increase in commission and trading income
- Increase in interest income of Ø 4.9% p.a.

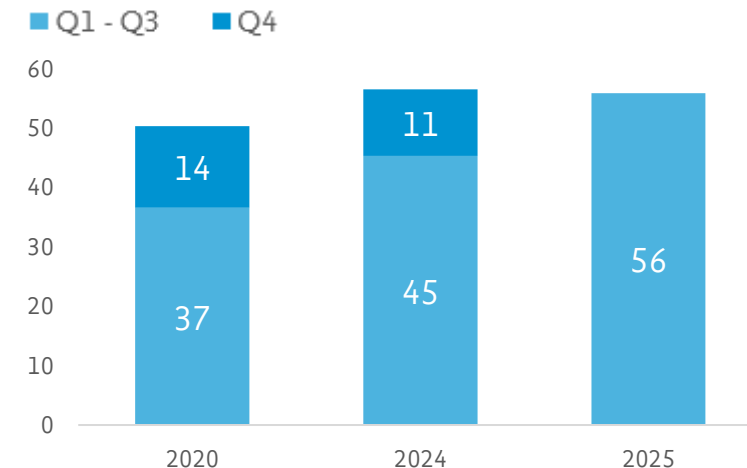
### Total non-interest income (in CHF million)



#### Increased income from commission and service business thanks to ...

- Increase in asset advisory and asset management mandates, pension custody accounts and expanded range of products and services
- Growth in assets under management of LUKB Expert Fondsleitung
- Advisory income

### Development of trading income (in CHF million)



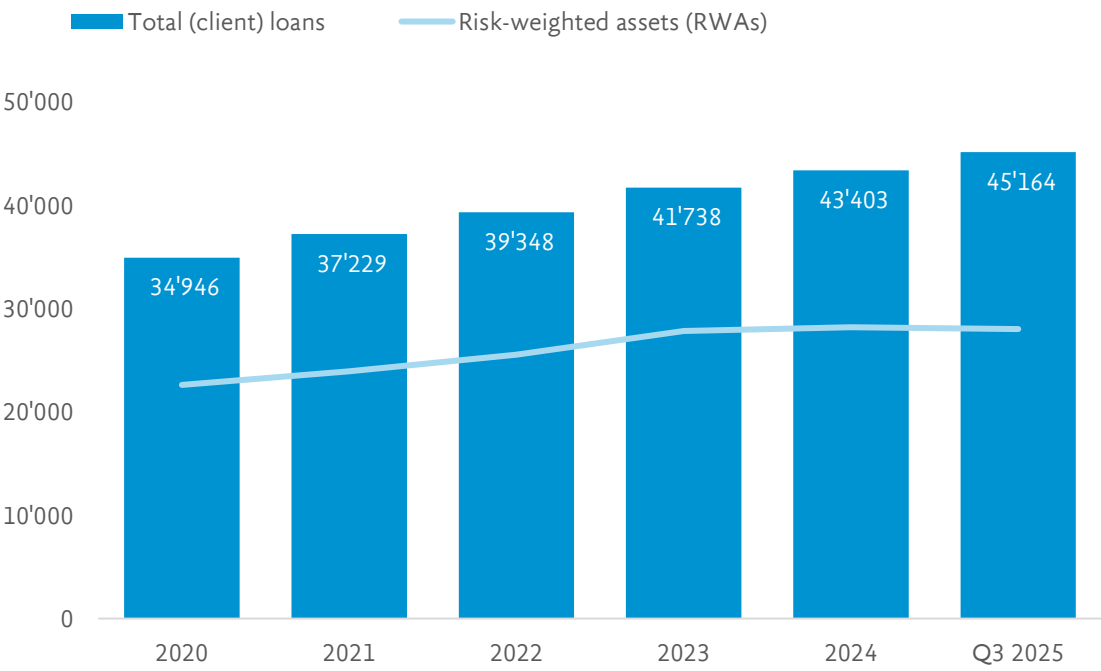
#### Increase in trading income thanks to ...

- Intensification of foreign exchange trading
- Increase in issuing activities in securities trading
- Intensified activities in the issuance of structured products and in digital assets

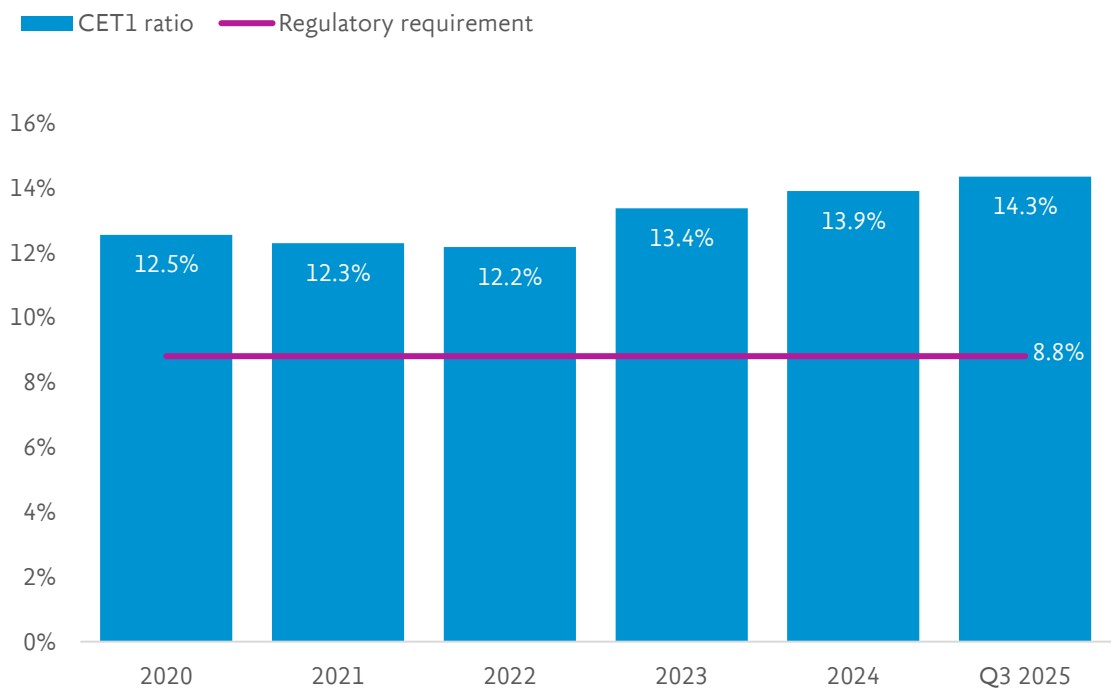
# Healthy balance sheet and focus on selective growth in loans to clients

- Growth in loans to clients with a focus on quality
- Increase in risk-weighted positions with collateral optimisation
- Continuous increase in CET1 ratio above 14% (increased target from 1 July 2025)

**Loans to clients**  
(in CHF million)



**CET1 ratio**  
(%)



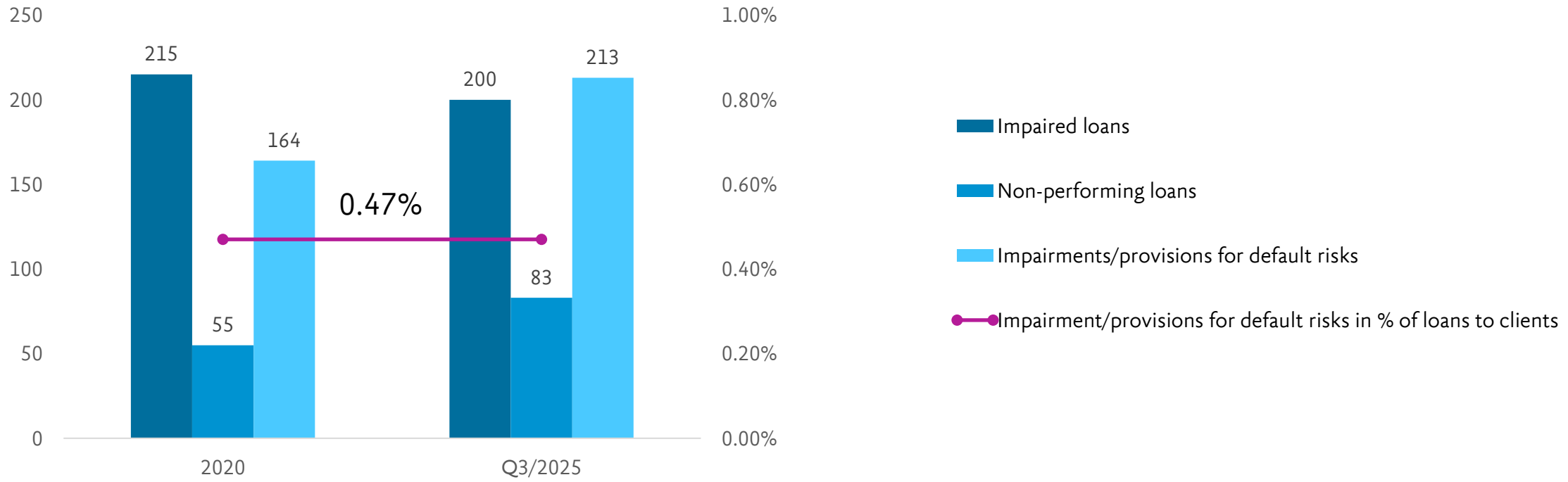
# Selective growth reflected in the high quality of the lending portfolio

- Excellent lending portfolio quality thanks to proven credit risk policy
- Traditionally low impairment requirement

## Quality of the lending portfolio

(in CHF millions)

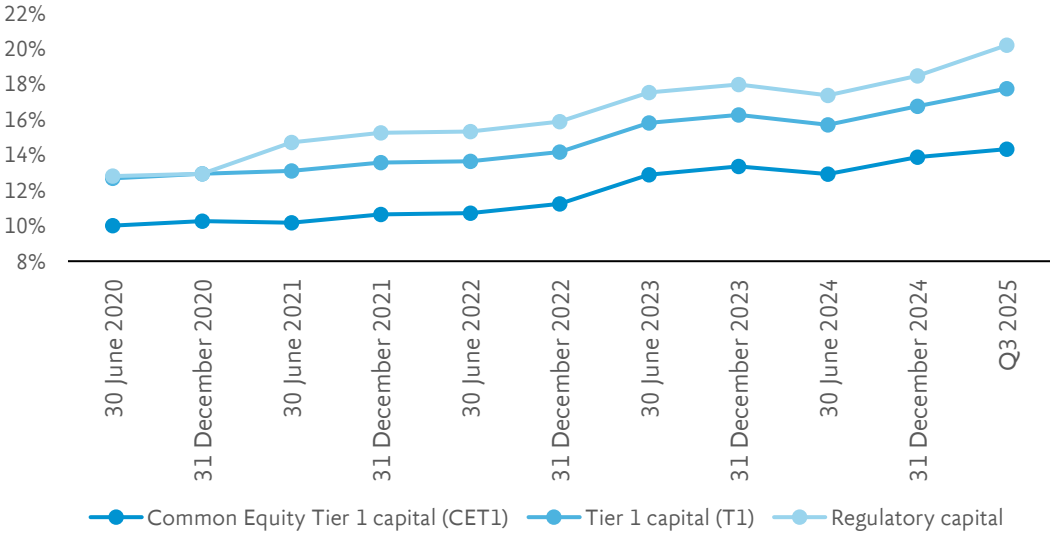
(in %)



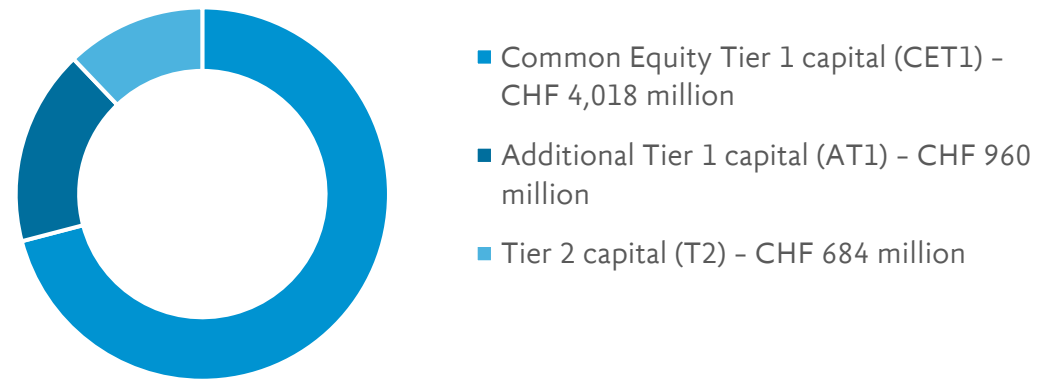
# Consistent management of capital ratios with a view to «Basel III Final»

- Continuous strengthening of capital ratios, despite growth in loans to clients
- Robust capitalisation with a solid buffer above minimum requirements

**Trend from 2020 to 2025**  
(in % of risk-weighted assets (RWAs))



**Composition of regulatory capital**  
(as at 30 September 2025)



**➤ Driver: disciplined management of risk-weighted positions and prudent assumption of risk**

# Conclusion: LUKB is starting the new strategy period from a position of strength

- 1** Successful business model, strong profitability and healthy balance sheet

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- 2** Successful strategy projects from 2021 to 2025 are the foundation of disproportionate income growth in non-interest business lines

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- 3** High level of expertise in selected specialty business

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- 4** Strong employer brand, above-average employee commitment, and high level of technology and data know-how

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- 5** Thriving economic region of Lucerne, from which LUKB benefits disproportionately as market leader

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- 6** Fixed costs are co-financed by the larger volume of the specialty business. This enables increased profit growth.

# **LUKB30: exploiting full potential**



# Strategic targets for 2026 to 2030 underline our ambitions

## Strategic targets

## targets for 2026

## targets for 2030

**Net growth in advisory and asset management mandates**

CHF > 1.1 billion

CHF > 1.8 billion

**Net growth in lending business (p.a.)**

2.5 % - 4 %

**Non interest income**

CHF > 235 million

CHF > 310 million

**Cost-income-ratio**

< 50 %

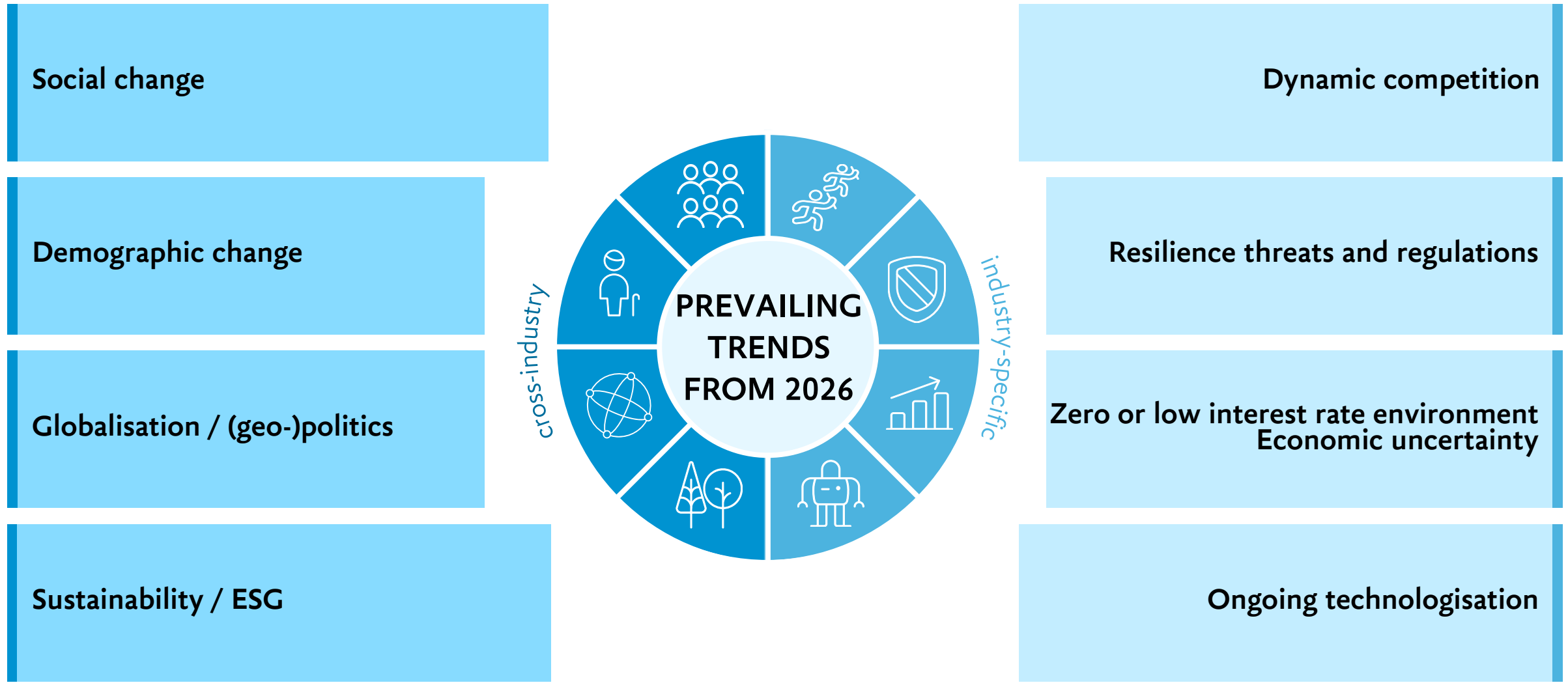
**Consolidated profit\***

> CHF 285 million

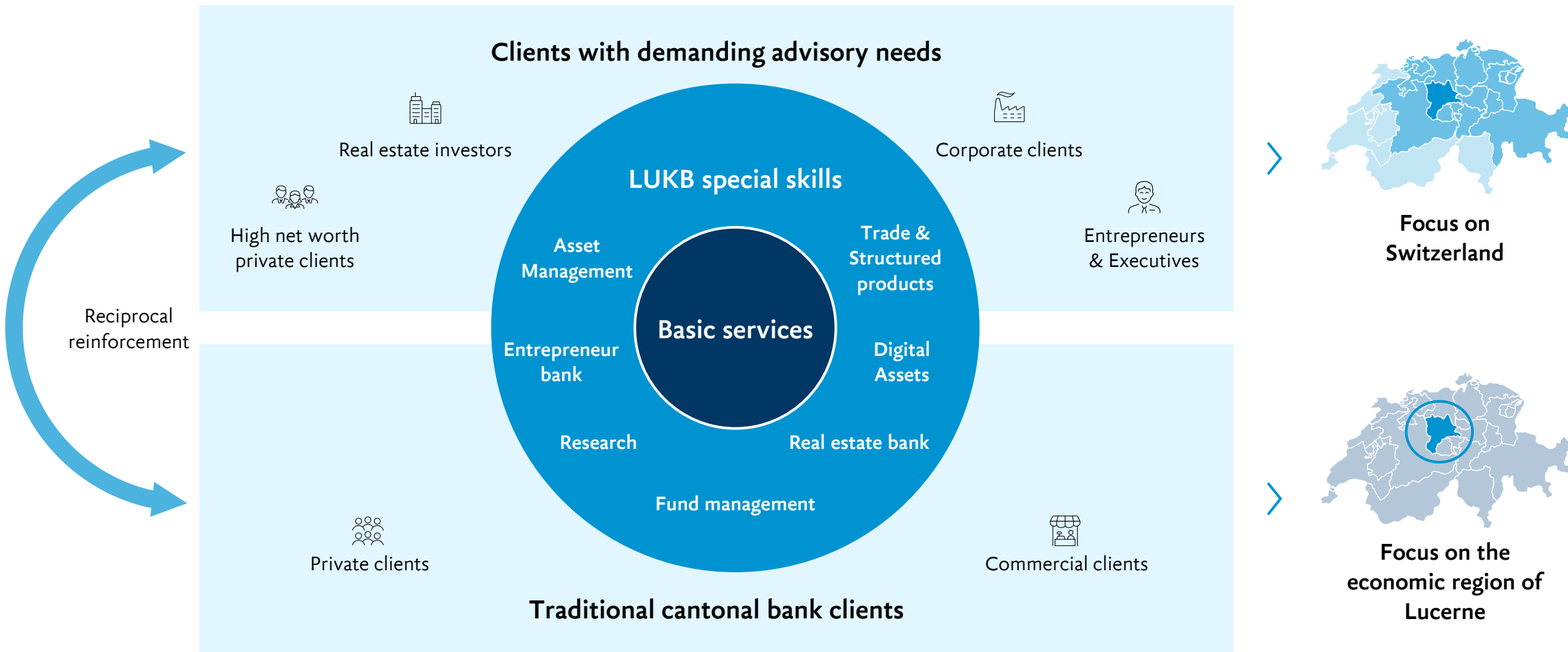
> CHF 340 million

\* adjusted for the creation/reversal of reserves for general banking risks

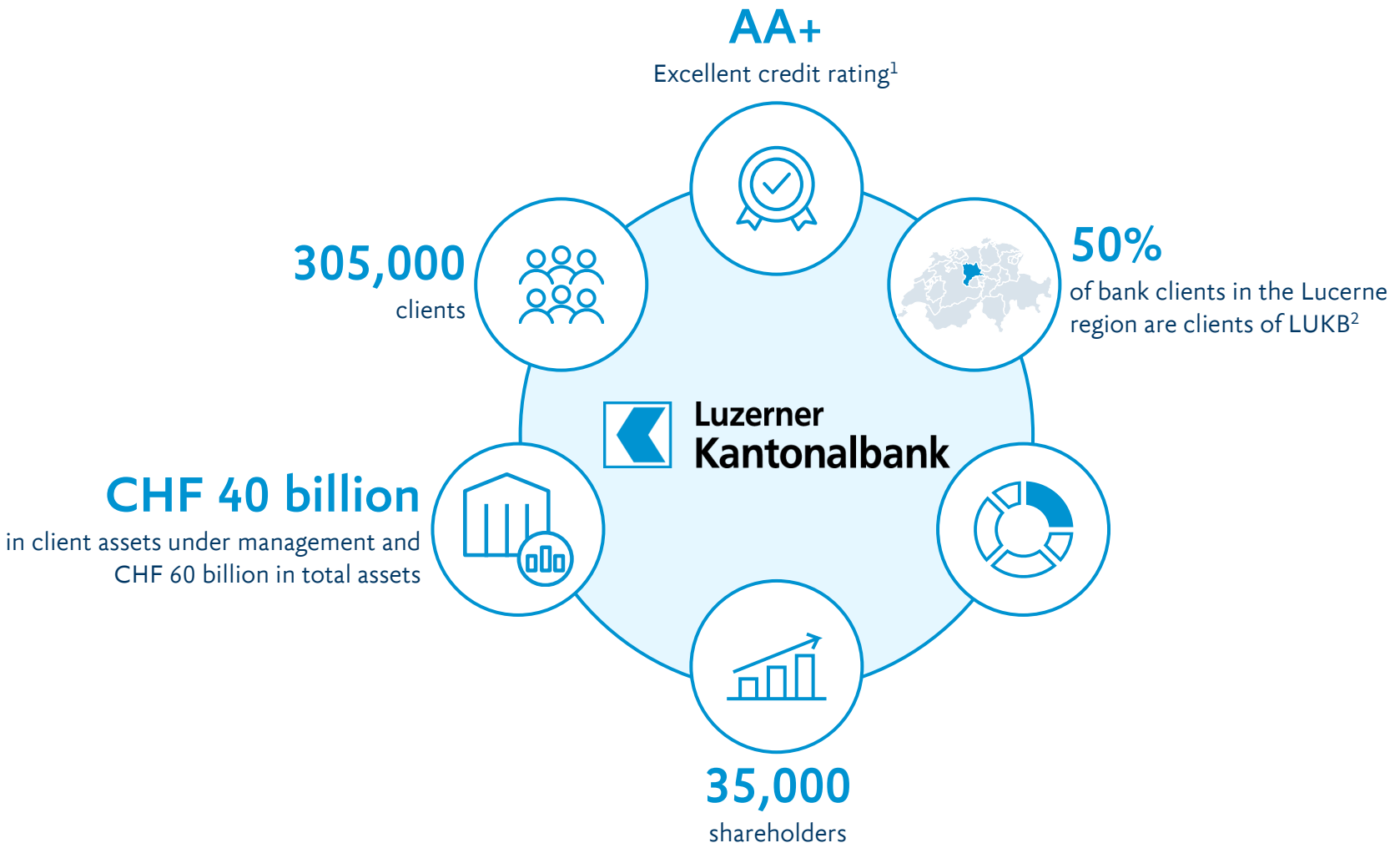
# The external environment will remain challenging in the coming years



# The dynamic environment requires proactive responses from LUKB – our business model is fit for the future and will undergo focused development



# LUKB makes an excellent start to the LUKB30 strategy period



<sup>1</sup>Standard & Poor's rating for non-current liabilities, March 2025. <sup>2</sup>VSKB market study of private clients in 2022. <sup>3</sup>before taxes.

# We focus on our proven strengths to exploit our full potential



## Direct client access

- Privileged access to clients in traditional cantonal banking business
- Qualified client advisors with a unique network of private clients, corporate and real estate clients



Securing the client interface and long-term consolidation of market leadership



## Expertise in specialty business

- Specialised teams for clients throughout Switzerland with demanding advisory needs (including pension and financial planning, matrimonial and inheritance matters)
- In-house asset management
- Capital market business with in-house competence centres (bonds, structured products)
- In-house fund management



Professional teams and infrastructure to exploit growth potential



## Technology and data know-how

- State-of-the-art digital solutions, products and services for clients
- Multiple award-winning e-banking and mobile banking infrastructure
- Data and analytics platform including interaction management system for the bank
- Central sales management



Well-positioned for the technological challenges of the future



## Strong employee base

- Regular awards as an outstanding employer
- High level of employee satisfaction among current and former employees
- Reliable and actively practised corporate governance
- Experienced and consistent management team



Strong employee loyalty and identification with the organisation

# The new strategy will be systematically rolled out based on our strengths

Based on our strengths ...



**Direct  
client access**



**Comprehensive  
expertise in specialty  
business**



**Technology and  
data know-how**



**Strong  
employee base**

... we are targeting two long-term strategic positions:

## **Champion in the Lucerne economic region**

We will achieve profitable growth in traditional cantonal banking business by making even more consistent use of our privileged access to clients

## **Specialist in Switzerland**

We will expand our specialty business in a sustainably profitable way and become the preferred partner for clients with discerning advisory needs

... we rely on:

## **Technology and data know-how that we apply and expand**


With AI and CX technologies and data-driven sales management, we will strengthen our products, services and client experience and increase efficiency

## **Employee excellence that we promote and improve**


We will systematically develop our employees with strategic programmes and prepare them for the future of banking

# This combination will sustain and strengthen our economic success in the years to come

With our strategic positioning ...



**Champion in the Lucerne economic region**



**Specialist in Switzerland**

supported by ...



**Technology and data know-how**



**Employee excellence**

**... we will exploit potential**

- Focus on profitable, organic growth in off-balance-sheet business
- Strong cost discipline
- Solid capital base
- Attractive profitability

**Basis for our strategic targets**

**In 2030, LUKB will be one of the five leading full-service banks in Switzerland.**



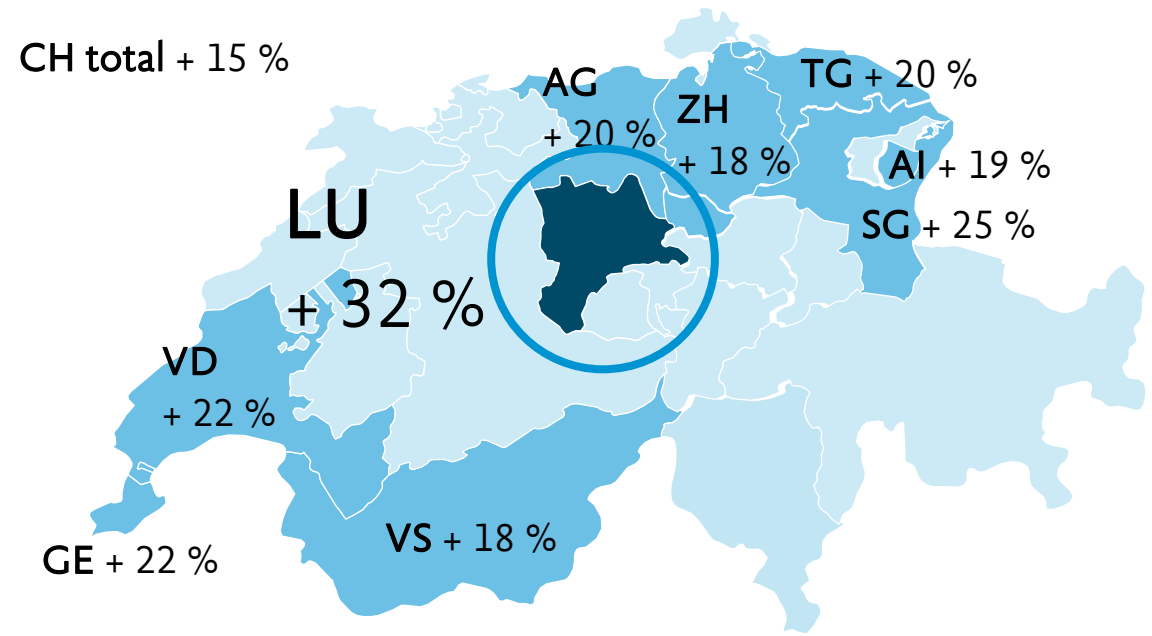
# Champion in the Lucerne region: Expansion of positioning to the domestic market with long-term structural growth - natural persons

The Lucerne region is becoming more and more attractive: Projected >30% population growth - top value for Switzerland

More than 50% of all natural persons in the Lucerne region are LUKB clients

**➔ LUKB is the clear market leader in all areas**

Cantons with the strongest population growth by 2055



Quelle: BfS



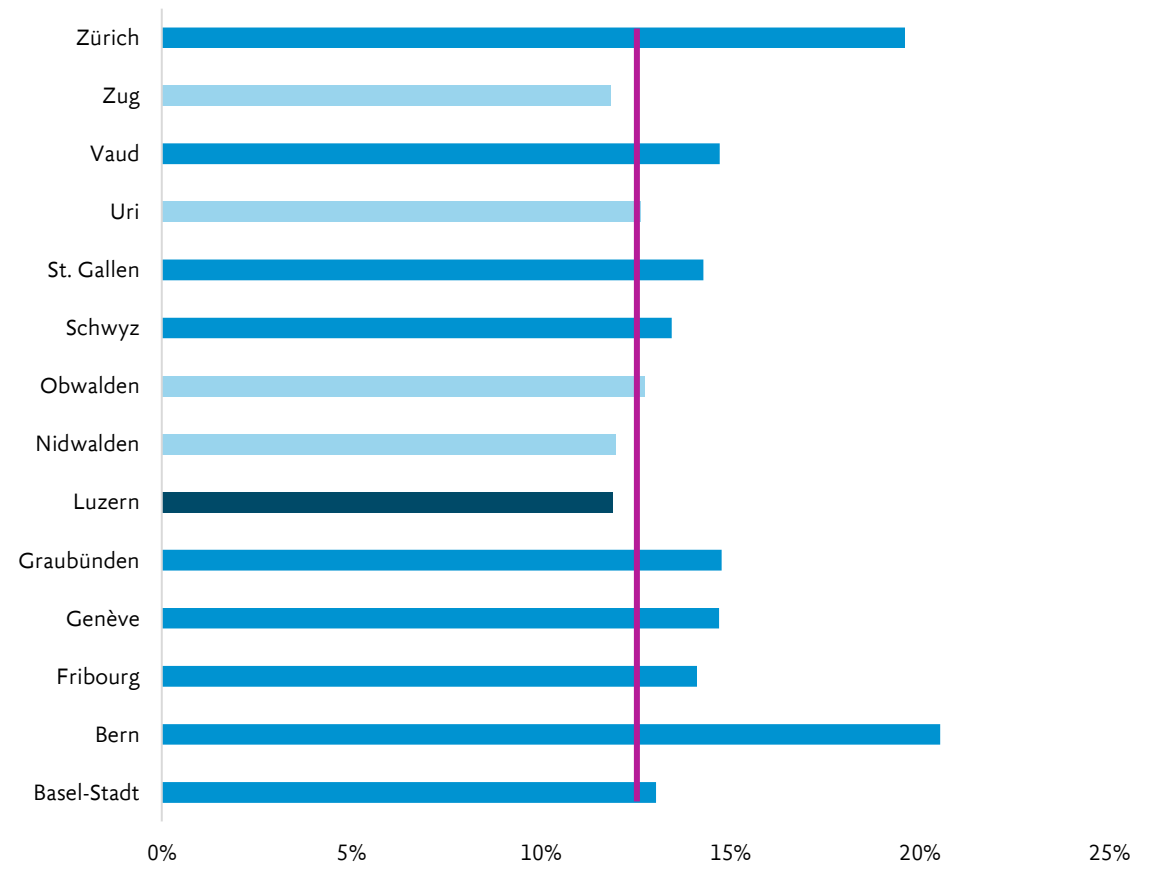
# Champion in the Lucerne region: Expansion of positioning to the domestic market with long-term structural growth – natural persons

Tax rates for legal entities as low as in ZG and NW

50% of all SMEs are LUKB clients

**➔ LUKB can expect additional corporate clients in its home market.**

Swiss corporate tax rates by canton (non-exhaustive list, 2025)



Source: BfS

● Average of all cantons



# Champion in the Lucerne region: Maintaining and increasing market leadership in a structurally growing market

High market share in the Lucerne region has been continuously expanded

High level of trust across all client segments

Very high client satisfaction in comparison with Swiss competitors

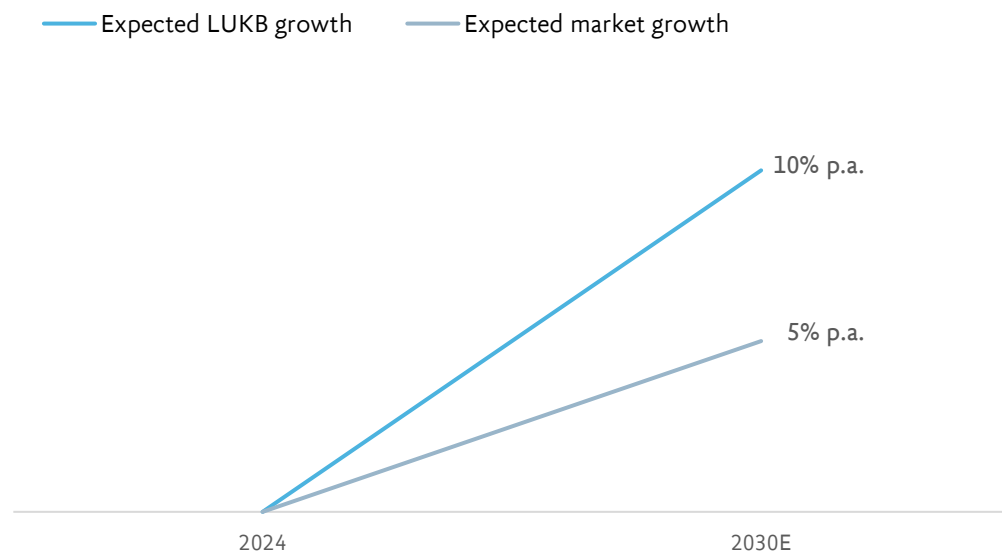
**Growth opportunities for LUKB**

- Deepening existing client relationships
- Maintaining strong regional roots and client satisfaction
- Developing client segments such as entrepreneurs and executives

# Specialist in Switzerland: We are expanding our investment, pension and capital market business with clients throughout Switzerland



## Expected growth in asset management and advisory mandates by 2030



## Components of the investment, pension and capital market business

- Asset management and in-house fund management
- Trading business
- Structured products and digital assets
- Pension and financial planning
- Matrimonial and inheritance matters
- Advisory service for private individuals and companies



## Growth opportunities for LUKB

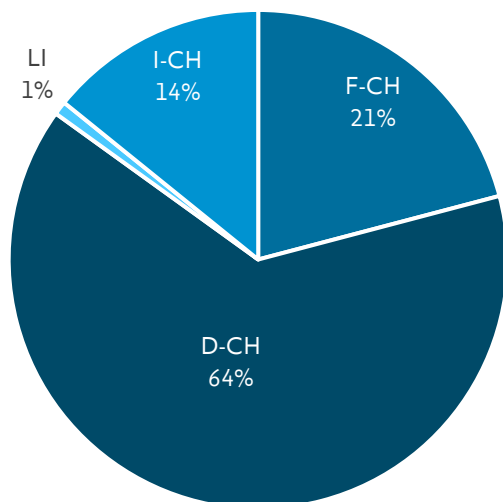
We are expanding thanks to our own scalable infrastructure, proven processes and intensified sales

# Specialist in Switzerland: Capital market business shows high potential for scaling and supports with additional income

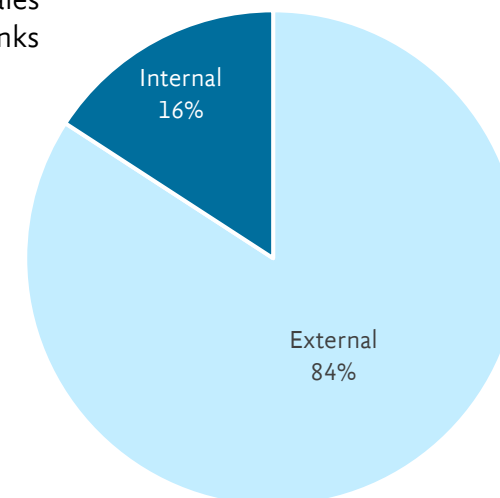


B2B trading is highly scalable thanks to investments in in-house infrastructure and platform integration

## Structured product sales



Sales to LUKB clients vs. sales to clients of third-party banks

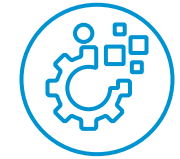


### Growth opportunities for LUKB



Scaling in-house infrastructure

Trading generates additional income from interest as well as commission and service business



# Technology and data know-how: We are strengthening our client offering and increasing our efficiency

## Development of client experience management

- Embedding CX principles along the entire value chain
- Development of tools, governance and measurement methods

## Data-driven sales management

- Stimulating, cross-channel and cross-segment sales management
- Consistent development into a data-driven organisation

## Front focus on high involvement topics

- Relieving employees of less value-adding activities through automation and/or reallocation
- Comprehensive use of AI solutions for both handling processes and self-service offers for clients

## Further development of the online channel

- Integrated sales, transaction and communication channel, including mobile banking
- Expansion of self-service functionalities



# Employee excellence: We are making our employees fit for the future of banking

## AI readiness and digital fitness

- Creating the technological, procedural and structural conditions for the extensive use of AI
- Qualifying and involving employees in AI transformation

## Efficiency and process redesign

- Gradual implementation of prioritised use cases
- Proactive identification and use of AI potential for process redesign

## LUKB performance management and culture

- Expansion of performance management and culture with balanced scorecard
- Expanding and exploiting strong position on the employer market in the long term

# Summary of Strategy LUKB30

We are positioning ourselves as a **champion in the Lucerne** region and as a **specialist** operating **throughout Switzerland**.

We are focusing on **organic, profitable growth** in **off-balance-sheet business**.

We are concentrating on **selective growth** in **loans to clients**.

We are increasing our **technology and data know-how** and driving **employee excellence** for the future of banking.

With our proven strengths, we are opening up new ways to exploit potential and create value for all our stakeholders.

# Deep dive: Diversifying income

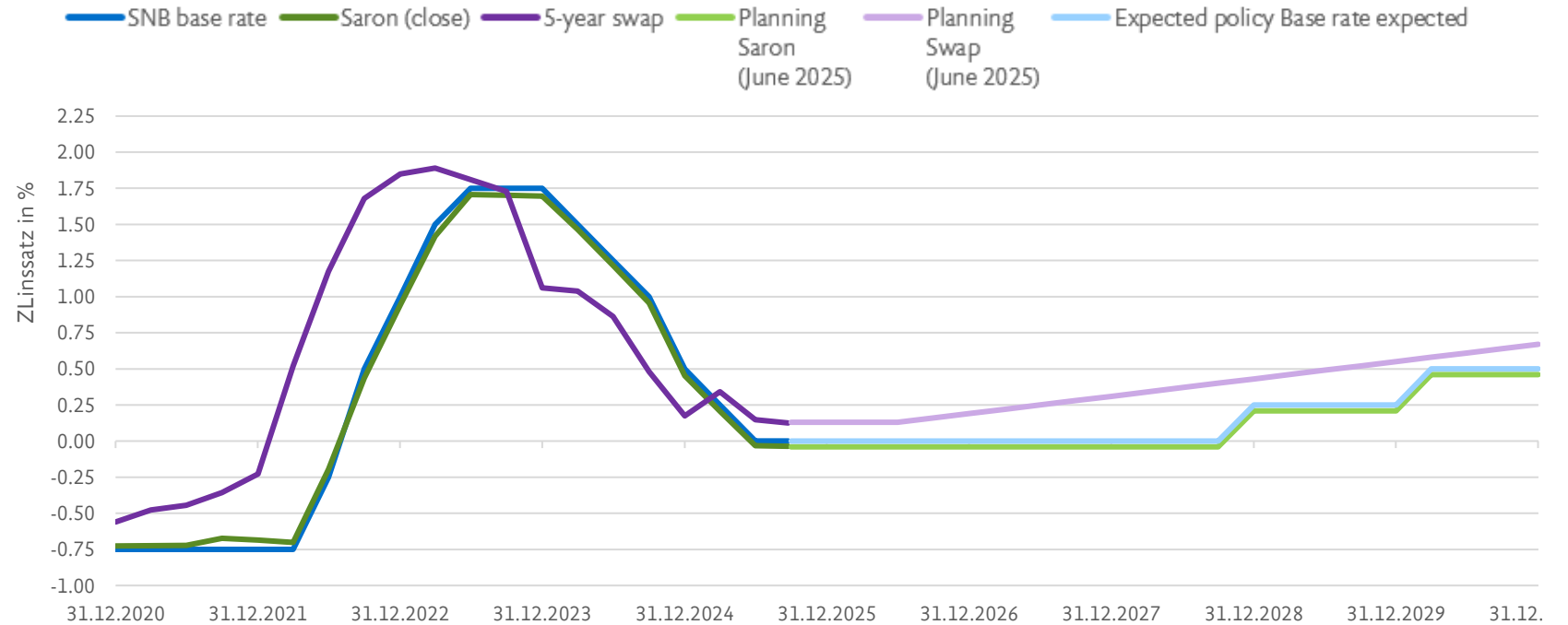


# LUKB will hold its own in a prolonged low-interest-rate environment

LUKB expects continuation of low-interest-rate environment

Limited potential to increase interest income

Interest rate trend until 2030 - LUKB main scenario



**➔ Growth in non-interest business is a strategic priority in order to increase profitability and thus consolidated profit**

# Impact of a prolonged zero-interest-rate scenario on LUKB's interest income

- LUKB has secured liquidity thanks to long-term funding on the liabilities side
- Receiver swaps entered into limit the risks of further interest rate cuts with income remaining stable

## Net interest income in 2025

- With its net interest income in Q3 2025, LUKB demonstrated that the interest rate cut to 0% was largely absorbed.

## Net interest income in 2026

- Net interest income will be slightly below 2025 because the even higher interest income in HY1 2025 thanks to positive policy rates can no longer be achieved.
- However, net interest income in 2026 is likely to exceed net interest income in 2024.

## Net interest income in a prolonged zero-interest-rate scenario

- Further moderate growth in line with volume development, provided the SNB does not significantly change its interest rate policy

# Scenarios: impact on consolidated profit in the event of rising interest rates

- KPI targets are based on current interest rate and market expectations
- Increase in the risk-free capital market rate leads to increase in consolidated profit

## Scenario 1:

Increase in interest rates by 0.50% compared to planning scenario



Additional increase in consolidated profit of CHF 10 million p.a.

## Scenario 2:

Increase in interest rates by 1.00% compared to planning scenario



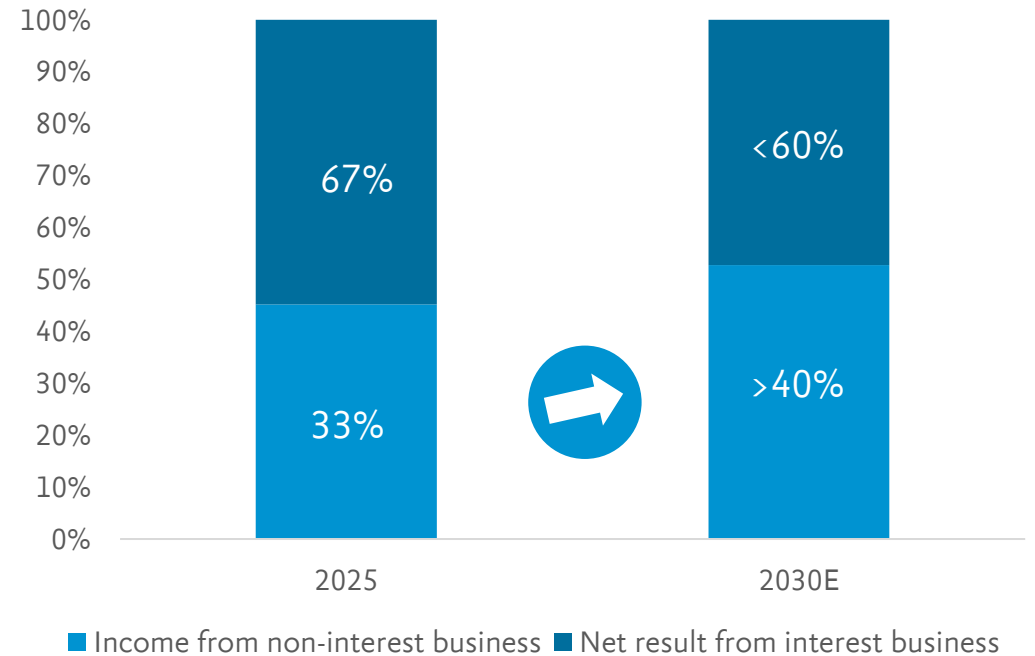
Additional increase in consolidated profit of CHF 23 million p.a.

# LUKB is prepared to implement changes in income composition

Asset advisory and asset management mandates as the main driver in non-interest business

Stronger growth in non-interest business in the main scenario is expected to lead to a relative decline in the share of income from interest business by 2030

Interest rate trend until 2030 - LUKB main scenario



**➤ Target: income becomes significantly more broadly diversified by 2030**

# Reallocation of deposits to securities investments as an important income driver for non-interest business

Identifying clients with potential

Increasing the number of higher-quality investment solutions

High penetration of securities in advisory and pension solutions

## Implemented by...

### ... in-house fund management

Broad range of funds: mixed and category funds  
All processes carried out in-house

### ... increased use of data analytics

Systematic identification of opportunities for a consultation  
Proposal of opportunity-oriented investment ideas

### ... focus on fund savings plans

Long-term customer loyalty  
Scaling effects on the income and operating side

# Planned strategic investments to further increase success in the long term

**➔ Further strategic investments of CHF 50 million during the strategy period thanks to strong starting position**



## Investing and private banking

- Further development of the investment business
- Development of sales skills
- Strengthening of the EAM business



## AI and data

- Expansion of AI competence centre
- Digital financial assistance



## Capital market

- Expansion of trading/structured products
- Expansion of digital asset activities



## Brand & People

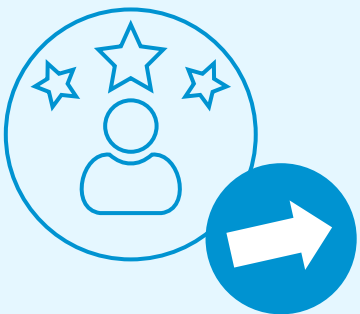
## Sales of the future

- Brand evolution
- Leadership programmes
- Further development of the advisory centre
- CRM suite

# Loans to clients still slightly above the market

- Growth with the market and focusing on quality among natural persons
- Growth in the corporate client and syndicate segment as well as entrepreneurs and executives continues

## Owner-occupied residential property



+1.0 - 3.0 % p.a.

## Professional real estate investors



+3.5 - 5.5 % p.a.

## Corporate clients including syndicated loans



>6 % p.a.

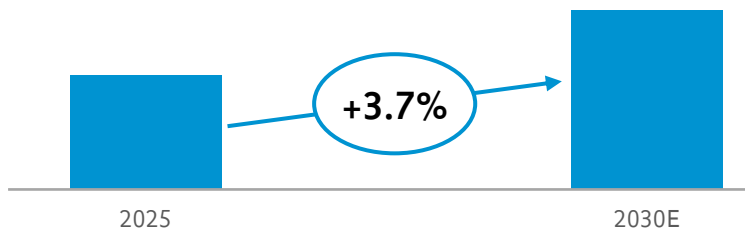
➤ **Approx. one third of the total mortgage volume of a good CHF 40 billion is attributable to owner-occupied residential property.**

# LUKB as an investment



# LUKB's strategic focus is on the disproportionate growth in off-balance-sheet business

## Volume of loans to clients



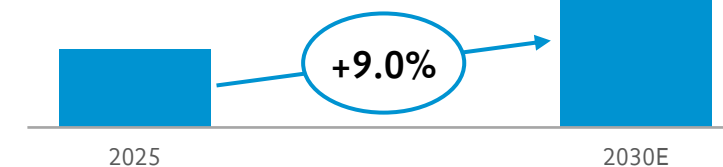
Growth in the **volume of loans to clients** continues, taking into account capital adequacy targets

## Client deposit volume



**Volume of client deposits** as a basis for cross-selling and non-interest income; growth rate still positive thanks to high savings rate

## Securities volume



**Securities** with disproportionate growth as a clear driver of the non-interest business and focus of the 2026-2030 strategy period



**Disproportionate growth in securities reflects strategic focus on non-interest business.**

# Total assets will grow disproportionately relative to assets under management

Credit volumes can only be expanded within the scope of risk-weighted asset capacities (limited by internal financing).

⇒ limited growth in total assets

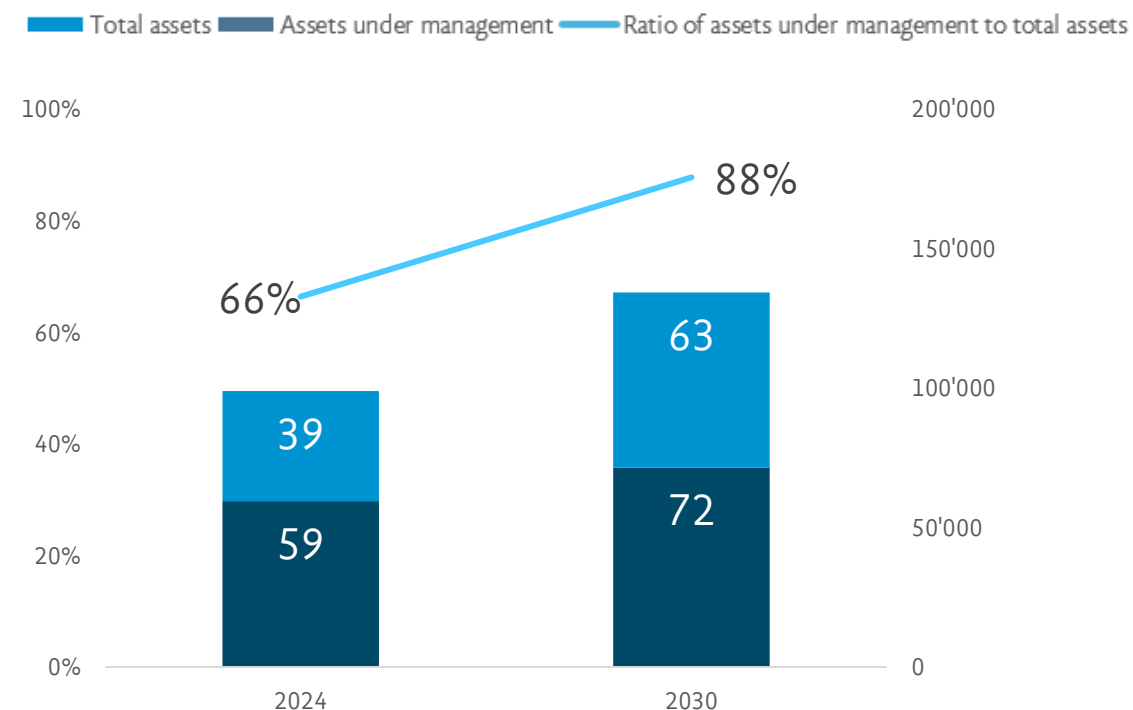
Assets under management are growing increasingly due to new clients and the expansion of client relationships (particularly asset management mandates, advisory mandates and pension assets).

## Ratio of assets under management to total assets

(in % [left scale])

## Total assets and assets under management

(in CHF millions [right scale])

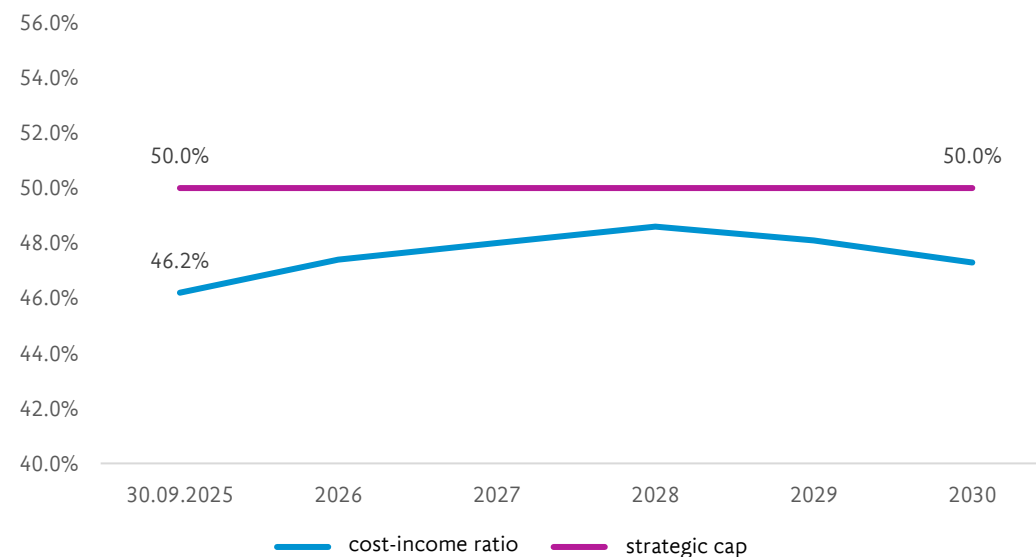


# Consistent cost discipline is necessary to achieve profit targets

Volatile development of the cost-income ratio during the 2026–2030 strategy period in the range of 45.0 to 49.5% depending on revenue figures and ICT operating costs.

Strategic cap still applies.

**Expected development of cost-income ratio**  
(in %)



➔ LUKB will maintain its usual focus on fitness and efficiency and maintain a high level of cost discipline.

# LUKN: defensive stock with attractive risk-return profile

Following the initial public offering on 12 March 2001, the total return of LUKN as at 31 October 2025 is 497%, significantly outperforming the Swiss market as a whole and relevant benchmark indices.



Quelle: LSEG Data & Analytics; 31. Oktober 2025

# Key takeaways on LUKB's qualitative targets by 2030

1



LUKB is expanding its **position as champion in the Lucerne region** in the long term by benefiting from privileged access to clients and a structurally growing market.

2



LUKB is establishing itself as the preferred partner for discerning clients in **selected specialty lines of business** within and outside its home market.

3



LUKB is consistently focusing on **organic, profitable growth in off-balance-sheet business** and fully exploiting the potential of its scalable capital markets business with its own infrastructure and products.

4



The bank is leveraging its **technology and data know-how** by benefiting from its central, data-driven sales and investing consistently in the development of customer experience management.

5



Targeted programmes are promoting **employee excellence** as well as AI readiness and digital fitness. Among other things, repetitive tasks are to be replaced by assistance systems and AI-based business processes to enable employees to focus on more value-creating activities.

Thank you.

# Annex



# Current key figures

	unit	2020	2021	2022	2023	2024	30 Sept 2025
Consolidated profit (adjusted for the creation/reversal of reserves for general banking risks)	CHF millions	219	246	252	265	<b>312</b>	-
Net growth in advisory and asset management mandates (excl. performance)	CHF millions	237	372	607	667	<b>817</b>	-
Net growth in lending business	%	4.0	6.5	5.7	6.1	<b>3.5</b>	-
Non-interest income	CHF millions	165	209	196	193	<b>207</b>	-
Proportion of non-interest income	%	31.1	36.0	33.4	31.3	<b>31.8</b>	<b>32.9</b>
Cost-income ratio	%	45.7	42.9	44.7	45.6	<b>46.1</b>	-
CET1 ratio	%	12.5	12.3	12.2	13.4	<b>13.9</b>	<b>14.3</b>
Total capital ratio	%	15.8	17.6	17.2	18.0	<b>18.5</b>	<b>20.2</b>
Leverage ratio	%	7.7	6.8	6.7	7.6	<b>7.7</b>	<b>7.8</b>
Return on equity (after tax)	%	7.7	8.6	8.4	7.9	<b>7.2</b>	-
Earnings/share	CHF	5.20	5.81	5.93	5.38	<b>5.78</b>	-

# Disclaimer

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